



FREQUENTLY ASKED QUESTIONS:

The UNIQUE College Investing Plan and Payroll Direct Deposit

What is a UNIQUE College Investing Plan (529 Plan)?

The UNIQUE College Investing Plan is 529 Plan sponsored by the state of New Hampshire and managed by Fidelity Investments. The UNIQUE Plan is a flexible, tax-advantaged account designed specifically for college savings. With a UNIQUE Plan, when the child reaches college age, withdrawals used for qualified higher education expenses are free from federal income tax and from New Hampshire's Interest & Dividend Tax.

How will my money be invested in a UNIQUE Plan account?

There are a variety of investment options available in the UNIQUE Plan, including age-based portfolios which invest based on a child's age and the number of years until he/she will be starting college. For full information on all the investment options available, go to www.Fidelity.com/UNIQUE or see the UNIQUE plan enrollment kit ("Fact Kit").

Do I have to use the money at a state school?

No, you can use your UNIQUE Plan account assets at virtually all accredited colleges and universities, community colleges and trade schools in the United States and eligible foreign institutions.

What expenses can I use the money for?

Money in the 529 Plan account can be used for qualified higher education expenses which include tuition and fees, books, supplies and equipment required for enrollment, room and board, and special needs services that might be required by the student, etc.

If I have more than one child, should I have more than one account?

You will likely want separate 529 accounts for each child. Each 529 Plan account can have only one beneficiary. Many investors choose to take advantage of Fidelity's Age-Based Portfolio Strategy for their accounts, which invests savings based on the age of the child. For this reason, you may want separate accounts for children of different ages.

What happens if my child doesn't go to college or doesn't spend all the money in the account?

The UNIQUE Plan offers significant flexibility should the designated beneficiary (student) decide not to attend college. You can take out the money as a non-qualified withdrawal, but any earnings on non-qualified distributions are subject to federal income taxes at the Distributee's rate as well as a 10% federal penalty tax. Or you can change the beneficiary on your 529 Plan account to eligible family members of the original beneficiary without incurring federal income tax and the 10% federal penalty tax. See the Fact Kit for definitions of eligible family members.

I remember hearing that the tax-free status of 529s plans would be ending soon. Is that true?

The Pension Protection Act of 2006 permanently extended the federal income tax-free qualified withdrawals of 529 college savings plans, which were previously set to expire in 2010. This means that any contributions made to 529 plans in the past and any contributions made in the future will grow tax-deferred, and distributions for qualified higher education expenses will be Federal income tax free.

How much do I need to open an account?

If you set up automatic investments, for example direct deposits from your paycheck, you can open an account with as little as \$15 per month or \$7 per bi-weekly pay period. If you do not set up automatic investments, the minimum amount to open an account is \$50.

I'd like set up automatic investments to my UNIQUE Plan right from my paycheck, how do I do that?

It's an easy 2-step process.

- The first step is to open a UNIQUE Plan account with Fidelity. You can open an account online, download a printed application to fill out and mail or request a printed Fact Kit, which includes an account application, from your Agency's HR representative or directly from Fidelity.
- Once you have established a UNIQUE Plan account, simply fill out and return the one-page "UNIQUE College Investing Plan Payroll Direct Deposit for New Hampshire State Employees" form to your Agency's HR representative. You will need to supply your UNIQUE Plan account number(s) and the amount you'd like to contribute to your account(s) in each pay period. Please refer to the payroll deduction form, or contact your Agency's HR representative, for more information.

If I set up Payroll Direct Deposit, how often will contributions be made to my UNIQUE Plan account?

Once you set up payroll direct deposit, contributions will be made to your UNIQUE Plan account(s) every pay period, for the amount you designate.

What if I want to change the amounts, or stop contributions, going into my UNIQUE Plan account(s)?

You would use the same form used to set up the payroll direct deposit. On the form you can indicate whether you are starting, modifying or stopping the payroll deduction. All requests to start/modify/stop payroll direct deposits to your UNIQUE Plan account(s) will be handled through your Agency's HR representative.

What if I want to make changes to my UNIQUE Plan Account?

For changes relating to your account other than the payroll deduction, you will need to contact Fidelity directly. Such changes include changing your investment options, changing a beneficiary, requests for distributions, etc.

Where can I get more information about the UNIQUE Plan?

Additional information is available at the NH Treasury's website, from Fidelity or from the Fact Kit.

How do I contact Fidelity?

You can contact a knowledgeable Fidelity 529 Plan representative at 1-800-544-1914, or go online at www.Fidelity.com/UNIQUE. Due to confidentiality reasons, Fidelity representatives are authorized to discuss the account details with, and to take direction from, only the registered account Participant.

The UNIQUE College Investing Plan is offered by the State of New Hampshire and managed by Fidelity. If you or the designated beneficiary are not a New Hampshire resident, you may want to consider, before investing, whether your or the designated beneficiary's home state offers its residents a plan with alternate state tax advantages or other benefits.

Units of the Portfolios are municipal securities and may be subject to market volatility and fluctuation.